

**ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2005**

	March-05					December-04				September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY04	Ended	Ended
				Net ROR	Net ROR				Net ROR				Net ROR	Net ROR	Net ROR	6/30/2004	6/30/2004
																Net	Net
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
LA Capital	63,330,105	4.4%	4.5%	-1.12%	-0.80%	63,381,809	4.5%	4.5%	10.52%	57,289,937	4.4%	4.5%	-4.17%	4.74%	N/A	N/A	N/A
Total Structured Growth	63,330,105	4.4%	4.5%	-1.12%	-0.80%	63,381,809	4.5%	4.5%	10.52%	57,289,937	4.4%	4.5%	-4.17%	4.74%	19.20%	-5.87%	-7.07%
<i>Russell 1000 Growth</i>				-4.10%	-1.82%				9.17%				-5.23%	-0.77%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																	
LSV	70,589,763	4.9%	4.5%	1.39%	-0.77%	68,939,391	4.9%	4.5%	9.12%	63,142,110	4.8%	4.5%	3.11%	14.07%	29.44%	9.20%	8.31%
<i>Russell 1000 Value</i>				0.09%	-1.37%				10.38%				1.54%	12.18%	21.13%	2.96%	0.64%
<i>Enhanced Russell 1000 Index</i>																	
LA Capital	86,519,563	6.0%	6.0%	-0.98%	-1.28%	83,813,243	5.9%	6.0%	9.18%	76,718,414	5.8%	6.0%	-2.24%	5.69%	18.59%	-0.17%	N/A
<i>Russell 1000</i>				-1.91%	-1.58%				9.80%				-1.81%	5.76%	19.48%	-0.32%	N/A
<i>Enhanced S&P 500 Index</i>																	
Northern Trust	85,998,383	6.0%	6.0%	-1.90%	-1.66%	84,480,927	6.0%	6.0%	9.18%	77,325,237	5.9%	6.0%	-2.17%	4.79%	19.00%	-0.31%	N/A
Westridge	85,741,213	5.9%	6.0%	-2.09%	-1.74%	84,258,203	6.0%	6.0%	9.50%	77,034,816	5.9%	6.0%	-1.94%	5.14%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	171,739,596	11.9%	12.0%	-1.99%	-1.70%	168,739,130	11.9%	12.0%	9.34%	154,360,118	11.8%	12.0%	-2.13%	4.88%	19.81%	-0.24%	N/A
<i>S&P 500</i>				-2.15%	-1.77%				9.23%				-1.87%	4.89%	19.11%	-0.69%	N/A
<i>S&P 500 Index</i>																	
State Street	42,434,470	2.9%	3.0%	-2.12%	-1.76%	42,923,070	3.0%	3.0%	9.23%	39,268,327	3.0%	3.0%	-1.87%	4.92%	19.08%	-0.67%	-2.17%
<i>S&P 500</i>				-2.15%	-1.77%				9.23%				-1.87%	4.89%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	434,613,497	30.1%	30.0%	-1.14%	-1.34%	427,796,643	30.2%	30.0%	9.44%	390,778,905	29.8%	30.0%	-1.59%	6.48%	20.38%	0.08%	-2.14%
<i>S&P 500</i>				-2.15%	-1.77%				9.23%				-1.87%	4.89%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	141,454,312	9.8%	10.0%	-5.09%	-2.71%	155,365,101	11.0%	10.0%	14.79%	135,169,121	10.3%	10.0%	-3.59%	5.03%	33.33%	5.76%	N/A
<i>Russell 2000 + 200bp</i>				-4.86%	-2.70%				14.64%				-2.36%	6.49%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	141,454,312	9.8%	10.0%	-5.09%	-2.71%	155,365,101	11.0%	10.0%	14.79%	135,169,121	10.3%	10.0%	-3.59%	5.03%	33.33%	5.76%	6.81%
<i>Russell 2000</i>				-5.34%	-2.86%				14.09%				-2.86%	4.92%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY																	
<i>Large Cap - Core</i>																	
State Street	15,514,991	1.1%	1.0%	-0.17%	-2.50%	15,537,847	1.1%	1.0%	10.22%	26,805,666	2.0%	2.0%	-1.24%	8.67%	27.44%	0.42%	-1.44%
<i>MSCI EAFE (1)</i>				-0.17%	-2.51%				11.69%				-0.72%	10.70%	26.98%	-1.27%	-1.15%
<i>Large Cap - Active</i>																	
Capital Guardian	44,792,232	3.1%	3.0%	0.68%	-1.63%	44,441,060	3.1%	3.0%	10.34%	64,488,204	4.9%	5.0%	-1.48%	9.44%	25.40%	-1.15%	1.54%
LSV	43,874,952	3.0%	3.0%	3.57%	-1.44%	42,260,547	3.0%	3.0%	3.0%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	(76)	0.0%	0.0%	N/A	N/A	(5,616)	0.0%	0.0%	0.0%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	15,071,735	1.0%	1.0%	-1.88%	-2.00%	15,341,679	1.1%	1.0%	16.02%	13,174,680	1.0%	1.0%	-1.07%	12.62%	23.61%	N/A	N/A
Total Large Cap - Active	103,738,842	7.2%	7.0%	1.49%	-1.61%	102,037,670	7.2%	7.0%	11.63%	77,662,885	5.9%	6.0%	-1.41%	11.70%	25.11%	-0.79%	1.76%
<i>MSCI EAFE - 50% Hedged</i>				1.71%	-1.37%				11.11%				-0.72%	12.20%	26.98%	-1.27%	-1.15%
<i>Small Cap - Active</i>																	
Lazard	15,592,755	1.1%	1.0%	3.98%	-1.54%	14,979,685	1.1%	1.0%	16.15%	14,085,757	1.1%	1.0%	0.76%	21.69%	44.40%	N/A	N/A
Wellington	15,258,750	1.1%	1.0%	3.96%	-2.45%	14,664,511	1.0%	1.0%	13.12%	12,921,174	1.0%	1.0%	-4.63%	12.16%	42.26%	N/A	N/A
Total Small Cap - Active	30,851,505	2.1%	2.0%	3.97%	-1.99%	29,644,196	2.1%	2.0%	14.63%	27,006,931	2.1%	2.0%	-1.92%	16.90%	43.25%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				4.58%	-1.80%				16.82%				-0.82%	21.16%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	150,105,338	10.4%	10.0%	1.82%	-1.78%	147,219,713	10.4%	10.0%	11.66%	131,475,481	10.0%	10.0%	-1.47%	12.01%	29.19%	2.00%	1.63%
<i>MSCI EAFE - 50% Hedged</i>				1.71%	-1.37%				11.11%				-0.72%	12.20%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY																	
<i>Capital Guardian</i>																	
78,649,206	5.4%	5.0%	2.06%	-5.59%		77,057,547	5.4%	5.0%	15.37%	66,748,065	5.1%	5.0%	7.64%	26.75%	27.91%	8.93%	2.83%
<i>MSCI Emerging Markets Free</i>				1.94%	-6.59%				17.27%				8.25%	29.40%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	41,822,267	2.9%	1.9%	-0.85%	-0.65%	33,256,225	2.4%	2.5%	1.25%	32,846,945	2.5%	2.4%	3.67%	4.08%	2.02%	8.00%	8.39%
<i>Lehman Aggregate</i>				-0.48%	-0.51%				0.96%				3.20%	3.68%	0.32%	6.35%	6.95%
<i>Active Duration</i>																	
WestAM (Criterion)	111,706	0.0%	1.9%	-3.95%	-3.99%	32,797,675	2.3%	2.5%	1.06%	32,455,709	2.5%	2.4%	2.75%	-0.27%	-0.25%	5.14%	6.43%
<i>Lehman Aggregate</i>				-0.48%	-0.51%				0.96%				3.20%	3.68%	0.32%	6.35%	6.95%
<i>Index</i>																	
Bank of ND	62,033,912	4.3%	4.5%	-0.50%	-0.47%	55,401,290	3.9%	4.5%	0.70%	54,841,820	4.2%	4.4%	3.46%	3.66%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	20,949,588	1.5%	1.5%	1.25%	0.43%	21,750,641	1.5%	1.5%	1.26%	21,639,059	1.6%	1.6%	1.21%	3.77%	5.08%	5.57%	5.70%
Total Index	82,983,501	5.7%	6.0%	-0.01%	-0.22%	77,151,931	5.5%	6.0%	0.87%	76,480,879	5.8%	6.0%	3.05%	3.94%	0.23%	6.79%	6.83%
<i>Lehman Gov/Credit</i>				-0.67%	-0.70%				0.80%				3.56%	3.69%	-0.72%	6.73%	7.10%
<i>Convertibles</i>																	
TCW	29,016,190	2.0%	1.9%	-4.18%	-1.87%	34,615,916	2.4%	2.5%	8.54%	31,900,431	2.4%	2.4%	-3.94%	-0.09%	16.74%	0.51%	3.89%
<i>Merrill Lynch All Convertibles</i>				-5.27%	-2.35%				5.37%				-1.05%	-1.24%	14.44%	4.95%	5.78%

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	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Fiscal YTD Net ROR	FY04 Net ROR	Ended 6/30/2004 Net	Ended 6/30/2004 Net
BBB Average Quality																	
Wells Capital (formerly Strong)	42,033,452	2.9%	1.9%	-0.70%	-1.29%	33,418,092	2.4%	2.5%	3.94%	32,084,003	2.4%	2.4%	4.62%	7.97%	1.29%	6.26%	7.23%
Lehman BBB				-1.57%	-1.95%				1.69%				4.76%	4.86%	1.23%	8.23%	6.60%
Timberland																	
RMK	41,179,794	2.9%	2.9%	-0.21%	7.75%	40,962,734	2.9%	2.9%	8.02%	38,262,677	2.9%	2.9%	3.86%	11.94%	10.46%	N/A	N/A
TIR	108,817,610	7.5%	7.5%	48.49%	-0.07%	73,151,431	5.2%	5.2%	0.43%	73,069,727	5.6%	5.6%	N/A	N/A	N/A	N/A	N/A
Total Timberland	149,997,404	10.4%	10.4%	31.16%	2.07%	114,114,165	8.1%	8.1%	3.04%	111,332,404	8.5%	8.5%	3.86%	40.36%	10.46%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	345,964,520	24.0%	24.0%	9.94%	0.18%	325,354,003	23.0%	24.0%	2.69%	317,100,371	24.2%	24.0%	2.69%	15.94%	5.08%	6.35%	7.34%
Lehman Aggregate				-0.48%	-0.51%				0.96%				3.20%	3.68%	0.32%	6.35%	6.95%
HIGH YIELD BONDS																	
Loomis Sayles	35,939,253	2.5%	2.5%	-1.32%	-3.58%	36,423,318	2.6%	2.5%		33,996,575	2.6%	2.5%		12.31%	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				-1.63%	-2.92%									7.78%	N/A	N/A	N/A
Sutter/Wells Capital	34,828,846	2.4%	2.5%	-1.35%	-2.21%	35,307,858	2.5%	2.5%		33,962,583	2.6%	2.5%		6.88%	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				-1.44%	-2.73%									7.81%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	70,768,100	4.9%	5.0%	-1.34%	-2.91%	71,731,176	5.1%	5.0%		67,959,158	5.2%	5.0%		9.57%	7.69%	6.68%	2.79%
Lehman High Yield Bond Index				-1.61%	-2.91%									7.88%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME																	
International Sovereign																	
UBS Global (Brinson)	34,318,257	2.4%	2.5%	-3.31%	-1.61%	35,444,859	2.5%	2.5%	10.41%	31,745,541	2.4%	2.5%	3.06%	10.02%	7.86%	14.20%	6.47%
Citigroup Non-US Gov't Bond Index (2)				-3.10%	-1.58%				10.63%				3.29%	10.73%	7.59%	13.65%	6.84%
International Core																	
Brandywine	34,416,657	2.4%	2.5%	-3.20%	-1.91%	35,468,468	2.5%	2.5%	9.22%	32,681,900	2.5%	2.5%	4.74%	10.74%	9.65%	N/A	N/A
Lehman Global Aggregate (ex-US)				-3.01%	-1.63%				10.66%				3.49%	11.07%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	68,734,914	4.8%	5.0%	-3.26%	-1.76%	70,913,327	5.0%	5.0%	9.81%	64,427,440	4.9%	5.0%	3.90%	10.38%	8.78%	14.41%	6.59%
Citigroup Non-US Gov't Bond Index (2)				-3.10%	-1.58%				10.63%				3.29%	10.73%	7.59%	13.65%	6.84%
REAL ESTATE																	
JMB	-			N/A	N/A	-			-86.10%	10,054			16.49%	N/A	1.45%	-5.90%	-3.04%
INVESCO	36,999,490			4.64%	0.00%	28,248,117			-0.43%	27,191,276			-5.91%	-1.97%	6.72%	5.80%	7.59%
J.P. Morgan	35,505,452			7.08%	4.99%	36,463,461			2.85%	35,451,816			3.83%	14.36%	11.11%	7.63%	9.54%
TOTAL REAL ESTATE	72,504,943	5.0%	5.0%	5.81%	2.45%	64,711,578	4.6%	5.0%	1.27%	62,653,146	4.8%	5.0%	-0.88%	6.22%	8.87%	6.70%	8.55%
NCREIF TOTAL INDEX				3.51%	1.16%				4.66%				3.42%	12.04%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS																	
Brinson IVCF II	170,179			0.00%	0.00%	170,179			0.49%	169,353			0.40%	0.89%	19.39%	-7.72%	4.43%
Coral Partners II	122,330			0.45%	0.00%	121,653			-0.07%	120,310			-0.35%	0.03%	14.14%	-16.27%	-15.91%
Coral Partners V	5,226,418			-6.15%	0.00%	5,605,166			-4.59%	5,897,185			6.37%	-4.75%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	683,271			3.00%	0.00%	661,975			2.90%	701,331			2.37%	8.50%	30.44%	N/A	N/A
Coral Partners VI	4,322,127			2.42%	0.00%	3,611,394			-2.08%	3,813,950			-0.28%	0.01%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	1,423,673			13.33%	13.33%	1,415,402			-0.98%	1,687,069			3.37%	16.00%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	2,826,562			9.51%	9.51%	2,575,629			2.80%	2,515,067			0.48%	13.11%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	5,069,360			8.48%	10.28%	4,794,194			3.30%	4,658,652			3.01%	15.43%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	2,654,959			3.41%	3.41%	2,562,002			1.05%	2,104,781			0.81%	5.34%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	1,683,070			4.15%	4.15%	1,612,558			-4.00%	1,184,946			-4.97%	-4.98%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	366,623			2.31%	2.31%	255,646			2.02%	158,669			-2.71%	1.55%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,209,911			0.00%	0.00%	1,463,105			7.91%	1,453,381			5.73%	14.09%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	1,672,677			0.00%	0.00%	1,669,108			2.89%	1,772,133			3.24%	6.22%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	1,260,832			0.00%	0.00%	1,258,142			-1.63%	1,082,438			0.86%	-0.79%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	2,446,626			-1.16%	-0.77%	2,059,600			6.60%	1,765,806			0.27%	5.65%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	912,987			1.17%	0.00%	554,208			-0.78%	381,594			-0.12%	0.26%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	146,405			0.00%	0.00%	72,432			-1.76%	74,010			0.09%	-1.67%	N/A	N/A	N/A
Brinson BVCF IV	7,704,497			2.69%	0.00%	7,486,656			-0.88%	8,328,279			6.66%	8.56%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	9,495,398			96.76%	96.76%	5,585,887			4.11%	8,162,327			-3.26%	98.18%	13.00%	N/A	N/A
Matlin Patterson Global Opportunities II	3,505,807			0.00%	0.00%	4,298,626			-1.12%	-			N/A	N/A	N/A	N/A	N/A
InvestAmerica	1,872,948			0.00%	0.00%	1,868,953			0.00%	1,876,070			17.28%	17.28%	-7.73%	N/A	N/A
Hearthstone MSII	0			0.00%	0.00%	0			536.18%	213,768			106.69%	N/A	28.64%	20.32%	N/A
Hearthstone MSIII	8,541,321			7.20%	4.41%	9,777,218			1.26%	9,692,693			-0.08%	8.46%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	63,317,983	4.4%	5.0%	11.73%	11.44%	59,479,735	4.2%	5.0%	2.55%	57,813,811	4.4%	5.0%	2.90%	17.91%	3.23%	-12.85%	-1.69%
CASH EQUIVALENTS																	
Northern Trust STIF/STEP	18,081,719	1.3%	1.0%	0.49%	0.10%	15,471,006	1.1%	1.0%	0.45%	17,787,580	1.4%	1.0%	0.44%	1.38%	1.44%	1.86%	3.48%
90 Day T-Bill				0.57%	0.24%				0.48%				0.37%	1.43%	0.98%	1.71%	3.29%
TOTAL FUND	1,444,194,531	100.0%	100.0%	2.23%	-0.78%	1,415,099,829	100.0%	100.0%	7.85%	1,311,913,079	100.0%	100.0%	0.50%	10.81%	16.66%	4.65%	3.78%
POLICY TARGET BENCHMARK				-0.47%	-1.00%				7.46%				0.99%	8.02%	14.79%	4.29%	3.62%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.